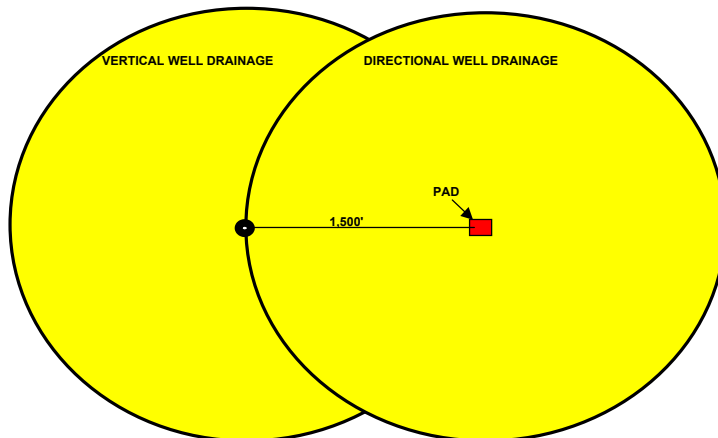


## VERMILLION BASIN DRAINAGE AREAS

### DIRECTIONAL DRILLING OPTIONS CANYON CREEK AND TRAIL FORMATIONS (Exhibit NO. 3: Areal View)

#### SCENARIO 1: TWO WELL PAD( 1 VERTICAL- 1 DIRECTIONAL "S" SHAPE)

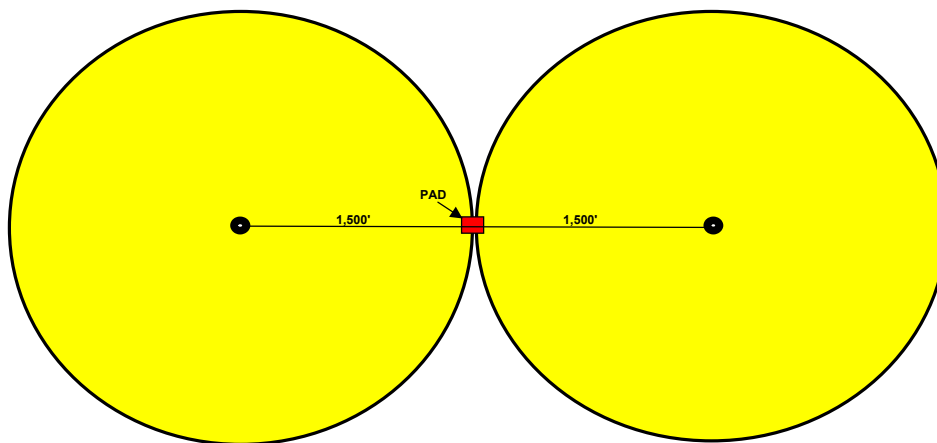


**NOTE:** DRAINAGE AREA FOR THE CANYON CREEK ZONE IS 160 ACRES OR 1500' FROM THE WELL BORE. DRAINAGE AREA FOR THE TRAIL ZONE IS 80 ACRES OR 1053' FROM THE WELL BORE.

50% OVERLAP IN CANYON CREEK ZONE  
RESULTING IN 25% RESERVE REDUCTION

25% OVERLAP IN TRAIL ZONE  
RESULTING IN 12.5% RESERVE REDUCTION

#### SCENARIO 2: TWO WELL PAD( 2 DIRECTIONAL "S" SHAPE)

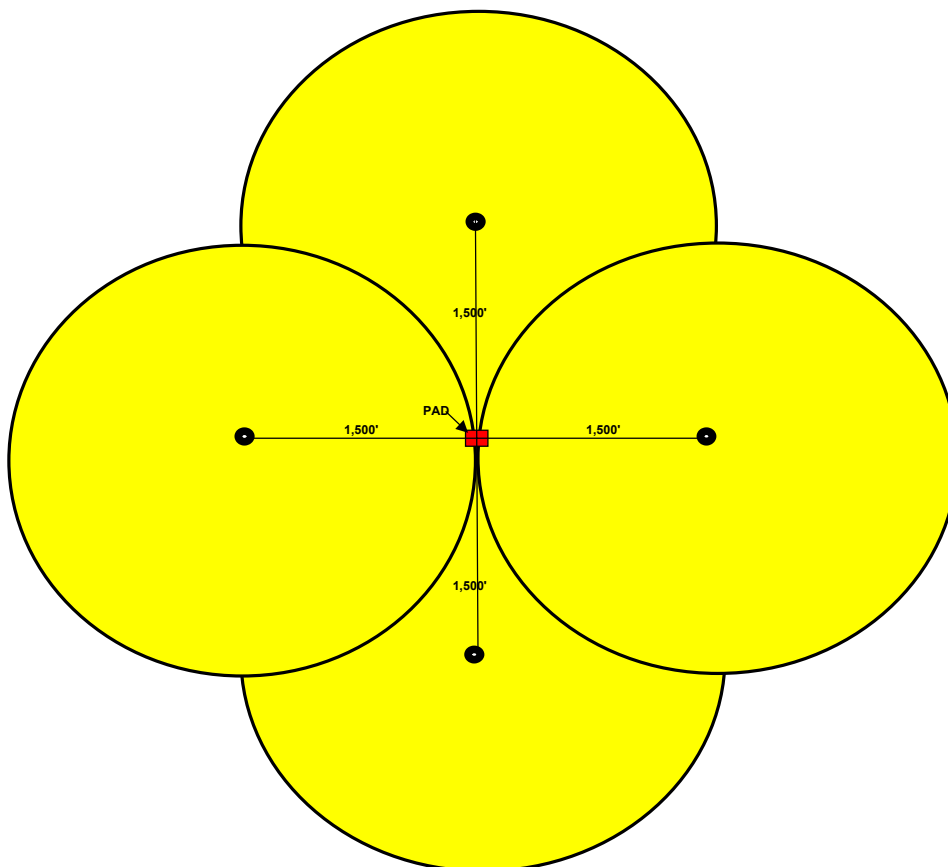


0% OVERLAP IN CANYON CREEK ZONE  
RESULTING IN 0% RESERVE REDUCTION

0% OVERLAP IN TRAIL ZONE  
RESULTING IN 0% RESERVE REDUCTION

100% LOSS OF 40 ACRES OF RESERVES  
FROM TRAIL ZONE

#### SCENARIO 2: FOUR WELL PAD( 4 DIRECTIONAL "S" SHAPE)



25% OVERLAP IN CANYON CREEK ZONE  
RESULTING IN 12.5% RESERVE REDUCTION

0% OVERLAP IN TRAIL ZONE  
RESULTING IN 0% RESERVE REDUCTION

100% LOSS OF 40 ACRES OF RESERVES  
FROM TRAIL ZONE